

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

STANADYNE LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 23-10207 (TMH)

(Jointly Administered)

**Related Docket Nos. 276, 297 and
340**

**AMENDED RESPONSE AND LIMITED OBJECTION OF
GENERAL MOTORS LLC TO DEBTORS' NOTICE TO
CONTRACT PARTIES TO POTENTIALLY ASSUMED, ASSIGNED,
AND SOLD EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

General Motors LLC (together with its applicable affiliates, “GM”) files this response and limited objection (the “**Objection**”) to the Debtors’ *Notice to Contract Parties to Potentially Assumed, Assigned, and Sold Executory Contracts and Unexpired Leases* [Docket No. 297] (the “**Notice**”) and states as follows:

Background

1. Debtors filed the Notice on May 23, 2023.
2. Exhibit A to the Notice lists those executory contracts and unexpired leases that the Debtors may seek to assume and assign to the Stalking Horse Bidder or Successful Bidder (as such terms are defined in the *Order (I) Approving Bidding Procedures, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment and Sale Contracts and Leases, and, (V)*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number are: Stanadyne LLC (0378); Pure Power Technologies, Inc. (5202); Stanadyne PPT Holdings, Inc. (2594); and Stanadyne PPT Group Holdings, Inc. (1734). The Debtors’ headquarters are located at 405 White Street, Jacksonville, North Carolina 28546.

Granting Related Relief [Docket No. 276] (the “**Sale Procedures Order**”). The executory contracts with respect to which GM is the non-Debtor counterparty and which are designated on Exhibit A are referred to herein as the “**GM Contracts**”. Each of the GM Contracts include and incorporate GM’s General Terms and Conditions.

3. Exhibit A to the Notice also identifies the purported cure amounts, calculated by the Debtors, that must be paid to cure all pre-petition defaults under any Potential Assigned Contract (as defined in the Sales Procedures Order), including the GM Contracts. The Debtors have identified each of GM Contracts as having a cure amount of \$0.

Limited Objection

4. Notwithstanding the Notice and the purported \$0 cure amount with respect to the GM Contracts:

- a. The Debtors have warranty obligations under the GM Contracts, arising both prior to and after the petition date in this chapter 11 case, and GM may have claims under the GM Contracts relating to such warranty obligations. The purported cure amounts with respect to the GM Contracts, however, do not include or account for any such warranty claims. GM reserves all of its rights, claims and remedies under the GM Contracts and applicable law in connection with such warranty claims, whether known or unknown.
- b. GM’s warranty claims, not reflected in the Notice, include, but are not necessarily limited to, the following:

Claim	Amount
GM Ordinary Warranty Terms Claim	\$484,558
GM Supplier Practical Problem Solving (SPPS) Claim	\$104,120

Premium Freight Claim	\$28,515
Total	\$617,193

GM reserves all of its rights and remedies, including its right to payment, with respect to these claims. Supporting information and documentation regarding the above-referenced claims is available to the Debtors upon the Debtors' reasonable request.²

- c. GM has rights of setoff and recoupment under the GM Contracts and applicable law. The purported cure amounts with respect to the GM Contracts, however, do not include or account for any such setoff and recoupment claims. Except as and to the extent expressly limited by the *Agreement by and Between the Debtors and General Motors LLC Regarding Purchase and Service Contracts* (the “**GM Contracts Agreement**”), which was approved by order [Docket No. 304] of the Court on May 24, 2023, GM reserves all of its rights, claims and remedies under the GM Contracts and applicable law in connection with such setoff and recoupment claims, whether known or unknown.

5. Although not addressed in the Notice, for clarification:

- a. In accordance with the GM Contracts Agreement, the GM Contracts may only be assigned to a “Qualified Buyer” (as defined in the GM Contracts Agreement). GM objects to any purported assignment of any GM Contract to a party that is not a Qualified Buyer, and any such purported assignment will be invalid, null and void.

² Such information will be made available to the Debtors subject to reasonable confidentiality restrictions.

6. GM reserves all of its rights, interests, claims and remedies under the GM Contracts, the GM Contracts Agreement, and applicable law, including, without limitation, with respect to all breaches of the GM Contracts and/or the GM Contracts Agreement by the Debtors, occurring both pre-and post-petition, and/or relating to or arising from any assignment of the GM Contracts to the Stalking Horse Bidder(s) or Successful Bidder(s).

Dated: June 9, 2023
Wilmington, Delaware

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